

Questions regarding the Master Servicer RFP

Question #1 **What software do you use for your loan reservation system and other processes involving the technical aspects of your lending program?**

CalHFA Response The system in use today is a Unix-based, in-house developed system written in a proprietary, obscure programming language. The system allows lenders to make loan reservations, and provides basic tools to allow staff to review, approve and purchase CalHFA single family mortgage loans, Daily FTP interfaces allow for sharing fixed-length text files containing loan status data with the Master Servicer and Hedge Facilitator.

Please describe the NEW system.

The new system is scheduled for release in December, replacing the existing system. Operating in a Microsoft SQL Server, .NET processing environment, lenders will be able to register loan reservations, track the status of their loans in the CalHFA pipeline, and print CalHFA pipeline documents. Daily FTP interfaces will be utilized to share loan status data with the Master Servicer and Hedge Facilitator. The new system will provide ease of use to the lenders, enhance efficiency and reduce turnaround times for CalHFA staff, and provide better information to CalHFA management and our partners.

Question #2 **Can you provide a list of the participating lenders that you have now or are projecting to participate in the 3rd party origination program?**

CalHFA Response The list of CalHFA-approved lenders can be found on our website at <http://www.calhfa.ca.gov/apps/approvedlenders/>. Of the 96 CalHFA-approved lenders, only 54 are currently participating in our first mortgage loan program.

Question #3 **Can you provide other statistics for 3rd party originations regarding delinquency and foreclosure ratios? In particular as compared to your direct lender business? Or compared to those stats in California. If those stats are not available could you provide an estimate on the performance of this program?**

CalHFA Response	At current CalHFA's computer system does not have the capabilities to distinguish between retail and broker loans. We have reached out to Fannie Mae to obtain this information on a statewide basis, but this information is not available through Fannie Mae either.
Question #4	Would we be required to pay for CalHFA employees to come to our Corporate Headquarters for a preapproval audit on the broker relationship like we do for the correspondent relationship?
CalHFA Response	No, CalHFA does not require a preapproval audit for a Master Servicer relationship.
Question #5	Will the Master Servicer be expected to fund the CalHFA first mortgage loans through its own warehouse line?
CalHFA Response	Yes, the Master Servicer will be required to purchase the CalHFA first mortgage loans under this program. CalHFA will not be supplying the warehouse line.
Question #6	Please confirm CalHFA will be open to Master Servicers who utilize a sub-servicer?
CalHFA Response	Yes, CalHFA will be open to Master Servicers who utilize a sub-servicer depending on how accessible the data is from the sub-servicer.
Question #7	Will CalHFA be open to the Master Servicer requiring that all third party originations be funded through the Master Servicer, rather than through the Correspondent lenders?
CalHFA Response	We cannot answer this question at this time without knowing why and the process in which this can be done.
Question #8	Will CalHFA require pricing alternatives for private-label sub-servicing or can the portfolio be serviced in the name of the responding Master Servicer?
CalHFA Response	Servicing loans in the name of the Master Servicer is acceptable to CalHFA.
Question #9	What is CalHFA's minimum pooling amount requirements?
CalHFA Response	CalHFA has no overlay; we follow GSE and hedging providers guidelines.

Question #10	Will CalHFA be open to reducing the pooling timeframe to under 30 or 45 days from loan funding versus 60 days?
CalHFA Response	Yes, we expect the pooling timeframes to be up to 60 days; however, a shorter timeframe is acceptable.
Question #11	Regarding Page 6. Item 4, where CalHFA requests respondents to provide examples of experience with supporting diverse mortgage broker clientele. What is CalHFA looking for in the way of diversity?
CalHFA Response	CalHFA wants to ensure that California's ethnic communities have access to lending networks though out the state.
Question #12	Please provide the funding and pipeline volume for the CalHFA first mortgages from July 1, 2014 through October 29, 2014.
CalHFA Response	As of October 29 th CalHFA lenders have reserved 266 first mortgages for \$63 million. We have purchased 91 loans for \$21 million.
Question #13	Does CalHFA have the ability to provide the current percentage of broker volume in the CHDAP program?
CalHFA Response	No, we have limited data available with our current computer system.
Question #14	Will the Master Servicer have the option to hold servicing rights for retail originated transactions?
CalHFA Response	This is to be determined at a later time.
Question #15	Can the Master Servicer assume the interest rates will be the same for brokers as they are for retail lenders, for fair lending purposes?
CalHFA Response	Pricing for the broker program will depend on the SRP paid to CalHFA by the Master Servicer.